

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2020-15-C - ORDER NO. 2020-330

MAY 5, 2020

IN RE: Application of Communications Venture Corporation d/b/a INdigital for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services, and for Alternative and Flexible Regulation	) ORDER GRANTING ) CERTIFICATE OF ) PUBLIC CONVENIENCE ) AND NECESSITY AND ) APPROVING ) ALTERNATIVE AND ) FLEXIBLE REGULATION
---	--

This matter comes before the Public Service Commission of South Carolina (the "Commission") on the Application of Communications Venture Corporation d/b/a INdigital ("INdigital" or the "Company") requesting a Certificate of Public Convenience and Necessity for authority to provide local exchange and interexchange telecommunications services within the State of South Carolina.

INdigital filed its Application pursuant to S.C. Code Ann. § 58-9-280 and Section 253 of the Telecommunications Act of 1996. By its Application, the Company also requests for local service offerings to be regulated in accordance with procedures authorized for New South Communications in Order No. 98-165 in Docket No. 97-467-C; for interexchange service offerings to be regulated in accordance with procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C; and for waiver of certain Commission regulations.

**I. PROCEDURAL HISTORY**

By letter dated January 14, 2020, the Clerk's Office of the Commission instructed INdigital to publish, by January 29, 2020, a Notice of Filing and Hearing (the "Notice") in newspapers of general circulation in the areas affected by the Application. Among other things, the Notice provided information regarding the nature of the proceeding and advised any person desiring to participate as a party of record to file a Petition to Intervene on or before February 19, 2020. On February 13, 2020, the Company filed affidavits demonstrating that the Notice was duly published in accordance with the instructions set forth in the January 14, 2020 letter of the Clerk's Office.

The South Carolina Telephone Coalition ("SCTC") filed its Petition to Intervene on January 16, 2020. Subsequent to the intervention, INdigital and SCTC reached a Stipulation, whereby SCTC withdrew its opposition to the Commission granting a statewide Certificate of Public Convenience and Necessity ("CPCN") to the Company. The Stipulation is attached hereto as Order Exhibit 1.

The South Carolina Office of Regulatory Staff ("ORS") is a party of record pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2019). On March 11, 2020, ORS filed a letter with the Commission stating that it had reviewed the Application and concluded the Company's request for a CPCN is consistent with the public interest. ORS also informed the Commission that it did not intend to appear at the hearing in the docket.

The evidentiary hearing was held virtually on March 30, 2020, at 10:00 A.M. before Jerisha Dukes, Esquire, Hearing Examiner. INdigital was represented via videoconference by Scott Elliott, Esquire. SCTC and ORS did not appear at the hearing.

## **II. SUMMARY OF THE EVIDENCE**

Mr. Mark Grady, Founder and President of INdigital, appeared via videoconference and testified in support of the Company's Application; he explained the Company's request for authority. The evidence of record reveals the Company's services, operations, and marketing procedures.

INdigital is a corporation organized under the laws of the State of Indiana and has been authorized to transact business in the State of South Carolina by the Secretary of State. According to Mr. Grady, the Company seeks authority to provide facilities-based local exchange telecommunications services to its customers throughout the state. INdigital expects to offer 9-1-1 emergency services to government and quasi-government Public Safety Answering Points ("PSAPS") and may also provide other local exchange telecommunications services and interexchange telecommunications services including, but not limited to, business resold and facilities-based local, interexchange, bundled interexchange, and wholesale or carrier-to-carrier Next Generation 911 services, including bundles of data, voice, and/or wireless services in support of Next Generation 911 service. The Company does not intend to provide residential telecommunications services.

Mr. Grady also discussed INdigital's technical and managerial resources to provide the services for which it seeks authority. Mr. Grady offered that the Company possesses sufficient financial resources to support its operations in South Carolina. In support of its position, the Company submitted its most recent financial information. The Company's financial information was granted confidential treatment and entered into the record under seal as Exhibit 2.

With regard to management and technical capabilities, both the Application and Mr. Grady's testimony evince that the Company's management has extensive experience in telecommunications, with key members of the senior management team having over 100 years of collective service in the telecommunications industry. Mr. Grady testified that the Company commits to operate in accordance with Commission Rules and Regulations, guidelines, and orders.

The Company offered that approval of INdigital's Application will provide South Carolinians increased choice, improved quality of service, and heightened opportunities to obtain improved technology that will further increase telecommunications competition in the State of South Carolina. Therefore, granting the requested Certificate is in the public interest, according to the witness.

The Company requests a waiver from any requirement to keep financial records in conformance with the Uniform System of Accounts ("USOA"), as INdigital will maintain its books in accordance with Generally Accepted Accounting Principles ("GAAP"). The Company also requests a waiver of Commission Regulation 103-610; its books and records are maintained at the headquarters in Fort Wayne, Indiana. Additionally, the Company requests a waiver of the requirement in Commission Regulation 103-631 to publish local exchange directories. The Company proposes to contract with incumbent local exchange carriers to include its customer list in the existing directories of the incumbent local exchange carriers. INdigital's local exchange calling areas will initially mirror the service area of the incumbent local exchange carriers; therefore, the Company requests a waiver of the map-filing requirement of Commission Regulations 103-612.2.3.

Lastly, the Company does not intend to provide retail residential local exchange services in South Carolina at this time, and therefore requests a waiver of the bond requirement found in S.C. Code Ann. Regs. 103-607.

After consideration of the applicable law, the Company's Application, and the evidence of record presented at the hearing, the Commission hereby states its findings of fact and conclusions of law:

**III. FINDINGS OF FACT**

1. INdigital is a corporation organized under the laws of the State of Indiana and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. INdigital seeks authority to provide local exchange and interexchange telecommunications services in South Carolina.

3. The Commission finds that INdigital possesses the managerial experience and technical resources to operate as a provider of local exchange and interexchange services in South Carolina, as described in its Application.

4. The Commission finds that the Company possesses sufficient financial resources to provide the services described in its Application and testimony.

5. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission.

6. The Commission finds that the Company's provision of service will not adversely impact the availability of affordable local exchange service.

7. The Commission finds that the Company will support universally available telephone service at affordable rates.

8. The Commission finds that the provision of local exchange service by the Company does not otherwise adversely impact the public interest.

9. The Commission finds that the Stipulation between the SCTC and Company is in the public interest.

10. ORS did not appear at the hearing and the fact that it did not oppose granting the CPCN herein is duly noted.

11. The Commission finds the Company's requested waiver of S.C. Code Ann. Regs. 103-610 reasonable as strict compliance with the regulation potentially causes undue hardship on the Company. Further, we find that a waiver of S.C. Code Ann. Regs. 103-610 is in the public interest. The Commission also finds a waiver from any requirement to keep the Company's financial records in conformity with USOA is reasonable. Because the Company does not intend to provide retail residential local exchange services, we also find it appropriate and reasonable to waive S.C. Code Ann. Regs. 103-607. In the future, should the Company offer residential local exchange services in South Carolina, we find that it shall comply with the bond requirement of S.C. Code Ann. Regs. 103-607. As the Company seeks calling areas that will mirror the incumbent local exchange carriers, we find it reasonable to grant the requested waiver of S.C. Code Ann. Regs. 103-612.2.3, which requires that the Company file a map of its operating area. The requested waiver of Commission Regulation 103-631 is reasonable and thus, the Company will not be required to publish local exchange directories.

#### **IV. CONCLUSIONS OF LAW**

1. The Commission concludes that the Company possesses the technical, financial, and managerial resources sufficient to provide telecommunications services as described in its Application. S.C. Code Ann. § 58-9-280(B)(1) (2015).

2. The Commission concludes that service to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2).

3. The Commission concludes that the Company's provision of service will not adversely impact the availability of affordable local exchange service. S.C. Code Ann. § 58-9-280(B)(3) (2015).

4. The Commission concludes that the Company will, to the extent that the Company may be required to do so by the Commission, participate in the support of universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (2015).

5. The Commission concludes that the provision of telecommunications services by the Company will not otherwise adversely impact the public interest. S.C. Code Ann. § 58-9-280(B)(5) (2015).

6. The Stipulation between the Company and SCTC should be approved.

7. The Commission concludes that a statewide Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services and interexchange services.

8. The Commission concludes the Company's local exchange telecommunications services, regardless of the technology employed, shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to New South Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing. An investigation of the tariff filing may be instituted within thirty (30) days of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

9. The Commission concludes that any intrastate interexchange business telecommunications services offered by the Company shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that



granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 in Docket No. 2000-407-C, this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing, subject to possible challenge within in seven (7) days of the filing, in which case the tariff filing will be suspended until further order of the Commission.

10. The Commission concludes that the Company's request for waiver of S.C. Code Ann. Regs. 103-610 should be granted. We also grant exemption from the policies requiring the use of USOA and grant waiver of the map-filing requirement pursuant to S.C. Code Ann. Regs. 103-612.2.3 and of S.C. Code Ann. Regs. 106-631 requiring publication of directories. Last, we grant waiver of S.C. Code Ann. Regs. 103-607 until such time as the Company intends to offer residential local exchange services.

11. Should the Company offer residential interexchange services in the future, the Commission adopts a rate design for the Company for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re:*

*Application of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

12. Should the Company offer residential interexchange services in the future, the Company shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. The Company shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 2016).

**V. ORDERING PROVISIONS**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

1. A Certificate of Public Convenience and Necessity is granted to Communications Venture Corporation d/b/a INdigital to provide competitive local exchange telecommunications services on a facilities-based or resold basis and to provide interexchange services.

2. The regulatory treatment adopted for the Company's services shall conform to the requirements of this Order.

3. The Stipulation between the Company and SCTC is hereby approved and incorporated as part of this Order. Any proposal to provide competitive local telecommunications service to rural service areas, regardless of the technology employed, is subject to the terms of the Stipulation.

4. Within thirty (30) days of this Order, the Company shall file its tariffs, if it has not already done so by the issue date of this Order, using the Commission's e-filing system. The tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariffpsc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System and shall be consistent with this Order and the Commission's Rules and Regulations.

5. The Company is required to comply with Title 23, Chapter 47, South Carolina Code of Laws Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the

appropriate 911 service authorities is to be made before providing voice or dial tone telephone service in South Carolina. By this Order and prior to providing voice or dial tone services in South Carolina, the Company shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

6. The Company shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of South Carolina specific information. Therefore, the Company shall keep financial records on its South Carolina operations to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found on the website of ORS at [www.ors.sc.gov](http://www.ors.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information as directed by the Commission and ORS and shall be filed no later than April 1<sup>st</sup>.

7. Commission gross receipts forms are due to be filed no later than August 31<sup>st</sup> of each year. The proper form for filing gross receipts information can be found on the website of at [www.ors.sc.gov](http://www.ors.sc.gov). The appropriate form is entitled "Gross Receipts Form."

8. Each telecommunications company certified in South Carolina is required to file annually with ORS the South Carolina Universal Service Fund ("USF") Contribution Worksheet, which may be found on the website of ORS at [www.ors.sc.gov](http://www.ors.sc.gov).

This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The USF worksheet is due to be filed annually no later than August 1<sup>st</sup> with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found on the ORS website at [www.ors.sc.gov](http://www.ors.sc.gov). This form shall be utilized for the provision of this information to the Commission and ORS and shall be updated annually with the filing of the Company's Telecommunications Company Annual Report. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced. If the Company changes or modifies its name, the Company shall file such changes with the Commission for approval.

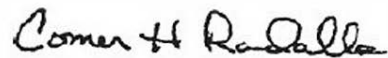
10. The Company shall comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. The Company is granted a waiver of S.C. Code Ann. Regs. 103-610, which requires that records required by the Commission's Rules and Regulations be

maintained in South Carolina. However, the Company shall make such books and records available, at the Company's expense, to ORS, upon request. The Company shall promptly notify the Commission and ORS if the location of its books and records changes. Further, the Company is granted a waiver of the requirement to maintain its financial records in conformance with USOA. The Commission acknowledges that the Company shall maintain its financial records in conformance with GAAP. Finally, the Commission waives the requirement that the Company file a map of its service territory, as required by S.C. Code Ann. Regs. 103-612.2.3, and the publication of directories, as required by S.C. Code Ann. Regs. 103-631. Last, the Company is granted a waiver of S.C. Code Ann. Regs. 103-607 until such time as the Company intends to offer residential local exchange services.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. "Randy" Randall, Chairman

ATTEST:



Jocelyn Boyd, Chief Clerk/Executive Director

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2020-15-C

Re:    Application of Communications Venture  
         Corporation d/b/a INdigital for a Certificate  
         of Public Convenience and Necessity to  
         Provide Local Exchange and Interexchange  
         Telecommunications Services, and for  
         Alternative and Flexible Regulation

---

**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Communications Venture Corporation d/b/a INdigital ("INdigital" or "Applicant") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose INdigital's Application. SCTC and Applicant stipulate and agree as follows:

1.     SCTC does not oppose the granting of a Certificate of Public Convenience and Necessity to Applicant, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2.     Applicant stipulates and agrees that any Certificate which may be granted will authorize Applicant to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3.     Applicant stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4.     Applicant stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Applicant provides such rural incumbent LEC and the Commission with written notice of its

intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Applicant acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Applicant stipulates and agrees that, if Applicant gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Applicant will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Applicant acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Applicant, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

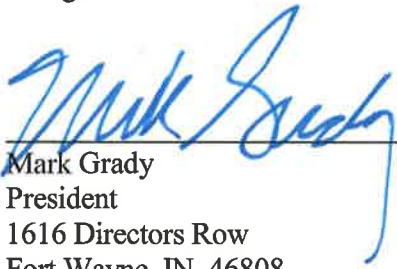


8. Applicant agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.


9. Applicant hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 27<sup>th</sup> day of January, 2020.

Communications Venture Corporation d/b/a  
INdigital

  
Mark Grady  
President  
1616 Directors Row  
Fort Wayne, IN 46808

South Carolina Telephone Coalition

  
M. John Bowen, Jr.  
Margaret M. Fox  
Burr & Forman LLP  
Post Office Box 11390  
Columbia, SC 29211  
(803) 799-9800  
[jbowl@burr.com](mailto:jbowl@burr.com)  
[pfox@burr.com](mailto:pfox@burr.com)

Attorneys for the South Carolina Telephone  
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies  
for Purposes of Local Service Stipulation

Chesnee Telephone Company  
Chester Telephone Company, d/b/a TruVista  
Comporium, Inc. (f/k/a Rock Hill Telephone Company)  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company, d/b/a Comporium  
Home Telephone ILEC, LLC d/b/a Home Telecom  
Lancaster Telephone Company, d/b/a Comporium  
Lockhart Telephone Company, d/b/a TruVista  
McClellanville Telephone Company (TDS)  
Norway Telephone Company (TDS)  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
PBT Telecom, d/b/a Comporium  
Ridgeway Telephone Company, d/b/a TruVista  
St. Stephen Telephone Company (TDS)  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company (TDS)